

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE**

**Call to Order:** By **CHAIRMAN JOHN WITT**, on January 15, 1999 at  
8:00 A.M., in Room 201 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. John Witt, Chairman (R)  
Sen. Tom Keating, Vice Chairman (R)  
Sen. William Crismore (R)  
Rep. Dick Haines (R)  
Sen. Linda Nelson (D)  
Rep. Joe Tropila (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Summer Alger, Committee Secretary  
Roger Lloyd, Legislative Branch  
Doug Schmitz, OBPP

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing: HB 2 - DNRC Budget  
Executive Action: HB 2 - DNRC Budget

**Roger Lloyd** gave committee members a handout labeled Comparisons  
of HB 2 Appropriations 1999 and 2001 Biennia (executive request),  
to be discussed later in meeting.

**EXHIBIT(jnh11a01)**

#### **HEARING ON HB 2 - DNRC BUDGET - WATER RESOURCES DIVISION**

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**{Tape : 1; Side : A; Approx. Time Counter : 1 → Tape : 1; Side :  
B; Approx. Time Counter : 30}**

**Jack Stults, Division Administrator**, began discussion of Present  
Law Adjustments on **C-154** of the Legislative Budget Analysis 2001  
Biennium: Agency Budgets, Vol. 1, January 1999, LFD.

*\*The Legislative Budget Analysis (LBA) 2001 budget book will not be referred  
to as an exhibit, however, budget information from other sources will be noted  
as exhibits.*

**Present Law Adjustments:**

**DP 2408**

**{Tape : 1; Side : A; Approx. Time Counter : 3.3}**

**DP 2409**

**{Tape : 1; Side : A; Approx. Time Counter : 4.2}**

**DP 2410**

**{Tape : 1; Side : A; Approx. Time Counter : 6}**

**DP 2411**

**{Tape : 1; Side : A; Approx. Time Counter : 7.1}**

**DP 2412**

**{Tape : 1; Side : A; Approx. Time Counter : 11.9}**

**C-155** of LBA 2001 budget book:

**DP 2413**

**{Tape : 1; Side : A; Approx. Time Counter : 14.3}**

**DP 2414**

**{Tape : 1; Side : A; Approx. Time Counter : 17.2}**

**DP 2415**

**{Tape : 1; Side : A; Approx. Time Counter : 18.2}**

**DP 2416**

*{Tape : 1; Side : A; Approx. Time Counter : 22}*

**Sen. Keating** asked if the Broadwater Project is paying its way and where the funds go, including the interest and/or left-over funds.

DP 2417

*{Tape : 1; Side : A; Approx. Time Counter : 27.5}*

**Robin Harper** explained this decision package, and the included loans.

DP 2418

*{Tape : 1; Side : B; Approx. Time Counter : 1.4}*

DP 2420

*{Tape : 1; Side : B; Approx. Time Counter : 4.3}*

This decision package is made up of all Board of Water Well funds. **Roger Lloyd** stated this DP could be restricted and/or one-time-only. **Mr. Stults** replied that the committee could reduce the request back to \$16,000 with no problem. **Sen. Keating** asked how much money is raised per year from water well contractor fees, then referred to Table 12 on **C-152** in the LBA 2001 budget book, to which **Robin Harper** commented.

**Rep. Haines** stated that he was skeptical of DP 2411 and the \$26,000 needed to motivate staff, to which **Mr. Stults** responded. **Rep. Haines** also questioned if the division had a training plan, to which **Mr. Stults** responded yes, annually. **Sen. Nelson** was also skeptical of this request.

New Proposals:

DP 4

*{Tape : 2; Side : A; Approx. Time Counter : 19.8}*

DP 12

*{Tape : 2; Side : A; Approx. Time Counter : 26}*

Since the division put in an application for a renewable resources grant, it asked to **drop** this proposal.

DP 13

***{Tape : 2; Side : A; Approx. Time Counter : 27.5}***

This is perhaps the most critical proposal according to the division, there are no funds in adjudication account, so they need to switch to general fund. They want to see this account de-earmarked and eliminated. **Sen. Keating** asked a few questions and **Roger Lloyd** gave his comments.

DP 22

***{Tape : 2; Side : B; Approx. Time Counter : 4.7}***

This is a one-time-only biennial appropriation account.

DP 26

***{Tape : 2; Side : B; Approx. Time Counter : 6.2}***

DP 28

***{Tape : 2; Side : B; Approx. Time Counter : 9.8}***

In response to **Sen. Keating's** inquiry, this proposal can be done as one-time-only because the division is hoping for Federal funding, though, it will be a long-term project.

DP 33

***{Tape : 2; Side : B; Approx. Time Counter : 12.8}***

This is a one-time-only and restricted biennial appropriation.

Language:

***{Tape : 2; Side : B; Approx. Time Counter : 14.3 - 18.6}***

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - WATER RESOURCES DIVISION

Present Law Adjustments:

***{Tape : 2; Side : A; Approx. Time Counter : 0.1 - 18}***

**Motion/Vote:** SEN. KEATING moved that DP 17 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

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**Motion/Vote:** SEN. KEATING moved that DP 2408 BE ADOPTED.  
SECONDED by SEN. NELSON. Motion carried unanimously.

**Motion/Vote:** SEN. NELSON moved that DP 2409 & DP 2410 BE  
ADOPTED. SECONDED by REP. HAINES. Motion carried unanimously.

**Motion/Vote:** SEN. KEATING moved that DP 2411 BE ADOPTED.  
SECONDED by SEN. CRISMORE. Motion carried 5-1 with Haines voting  
no.

**Motion/Vote:** REP. HAINES moved that DP 2412 BE ADOPTED. SECONDED  
by SEN. NELSON. Motion carried 5-1 with Keating voting no.

**Motion/Vote:** SEN. KEATING moved that DP 2413 BE ADOPTED.  
SECONDED by REP. TROPILA. Motion carried unanimously.

**Motion/Vote:** SEN. NELSON moved that DP 2414 BE ADOPTED. SECONDED  
by REP. HAINES. Motion carried unanimously.

DP 2415 was discussed, and a decision made to skip over it.

**Motion/Vote:** SEN. KEATING moved that DP 2416 BE ADOPTED.  
SECONDED by SEN. CRISMORE. Motion carried unanimously.

**Motion/Vote:** SEN. CRISMORE moved that DP 2417 BE ADOPTED, BUT  
REDUCE THE \$62,012 GENERAL FUND AND FUND ENTIRELY WITH STATE  
SPECIAL REVENUE. SECONDED by SEN. NELSON. Motion carried  
unanimously.

**Motion/Vote:** REP. TROPILA moved that DP 2418 BE ADOPTED.  
SECONDED by SEN. CRISMORE. Motion carried unanimously.

**Motion/Vote:** SEN. KEATING moved that DP 2420 BE ADOPTED WITH  
\$16,000 OF STATE SPECIAL REVENUE AS ONE-TIME-ONLY AND RESTRICTED.  
SECONDED by SEN. CRISMORE. Motion carried unanimously.

No executive action taken on New Proposals or on Language  
appropriations.

Recess @ 9:45am {Tape : 2; Side : B; Approx. Time Counter : 18.6}

Roger Lloyd began with his handout of biennial comparisons of HB  
2 appropriations. \*Refer to Exhibit 1\*

**HEARING ON HB 2 - DNRC BUDGET - CONSERVATION & RESOURCE  
DEVELOPMENT DIVISION**

**{Tape : 2; Side : B; Approx. Time Counter : 20.4 → Tape : 4;  
Side : B; Approx. Time Counter : 9.4}**

**Director Bud Clinch** introduced the Conservation and Resource Development Division (CARDD), starting on **C-146** of the LBA 2001 budget book.

**Ray Beck, Administrator, CARDD**, gave the division presentation starting with the program description and mission. He moved into Conservation District and Grazing District responsibility, stating that funding is primarily from mill levies, then discussed the 310 Act. Next, the various grants and loans programs, such as the 223 Program, were reviewed. A list of Public Loan funds was handed out to the committee.

**EXHIBIT (jnh11a02)**

A discussion of State Waste Water Revolving Fund Loans ensued, which was supplemented by a packet given to committee members.

**EXHIBIT (jnh11a03)**

In response to a question from **Sen. Keating, Anna Miller, CARDD Financial Advisor**, sent around another handout covering Drinking Water and Waste Water Fund Sufficiency Calculations.

**EXHIBIT (jnh11a04)**

The division also expects the Safe Drinking Water program to grow faster than the Waste Water program.

**Roger Lloyd** then addressed the LFD Issues on **C-146** (Table 2) and **C-147** (Treasure State Endowment Fund) of the LBA 2001 budget book. **Ray Beck** replied to **Sen. Keating's** curiosity over the 48% increase in the budget - why the doubling of the internal operating expenses. **Mr. Lloyd** then commented that the proposed funding switch has a net impact of 0 to the budget and nearly \$900,000 is for Conservation Districts. **Director Clinch** commented also.

**Present Law Adjustments:**

**{Tape : 3; Side : B; Approx. Time Counter : 2 → Tape : 4; Side :  
B; Approx. Time Counter : 9.4}**

Decision Packages 6 through 2312 on **C-147** to **C-150** in the LBA 2001 budget book were introduced by **Ray Beck** and mulled over by

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committee members. **Sen. Keating** questioned items on Table 4 of **C-127** in the LBA 2001 budget book, with replies from both **Mr. Beck** and **Director Clinch**. **Sen. Keating** then discussed the Resource Indemnity Trust (RIT), and **Mike Voleski, MT Association of Conservation Districts**, gave his comments.

**Chairman Witt** questioned DP 2311, the Grazing District Advisory Committee, and **Jim Rath**, **President of the MT Association of Grazing Districts** responded. Comments also came from **Director Clinch**, **John Schultz**, **Director on MT State Association of Grazing Districts**.

The Following People Testified:

DP 6

Tom Stelling, VP MT Association of Conservation Districts & Cascade Co. Conservation District {Tape : 4; Side : A; Approx. Time Counter : 3}

DP 18

none.

DP 25

Alan Rollo, MT Watershed Coordinating Council {Tape : 4; Side : A; Approx. Time Counter : 4.1}

Tom Stelling, VP MT Association of Conservation Districts & Cascade Co. Conservation District {Tape : 4; Side : A; Approx. Time Counter : 5.2}

DP 31

Tom Stelling, VP MT Association of Conservation Districts & Cascade Co. Conservation District {Tape : 4; Side : A; Approx. Time Counter : 6.4}

Alan Rollo, MT Watershed Coordinating Council {Tape : 4; Side : A; Approx. Time Counter : 7.5}

DP 32

Mike Voleski, MT Association of Conservation Districts {Tape : 4; Side : A; Approx. Time Counter : 8}

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**Lucy Gallus, MT Water Systems Inc. {Tape : 4; Side : A; Approx.  
Time Counter : 13.8}**

**Tom Stelling, VP MT Association of Conservation Districts &  
Cascade Co. Conservation District {Tape : 4; Side : A; Approx.  
Time Counter : 14.8}**

**Mary Seccombe, President, MT Resource Conservation & Development  
Association {Tape : 4; Side : A; Approx. Time Counter : 15.4}**

**LaVerne Ivie, Yellowstone Conservation District {Tape : 4; Side :  
A; Approx. Time Counter : 16.5}**

**Gayla Wortman, MACO Employees Organization {Tape : 4; Side : A;  
Approx. Time Counter : 19.9}**

**Alan Rollo, MT Watershed Coordinating Council {Tape : 4; Side :  
A; Approx. Time Counter : 20.9}**

**Jane Holzer, MT Salinity Control Association {Tape : 4; Side : A;  
Approx. Time Counter : 24.1}**

**Kevan Comes, Fergus Co. Conservation District {Tape : 4; Side :  
A; Approx. Time Counter : 24.4}**

**Ray Trumpower, Chairman, Eastern Plains Resource Conservation &  
Development Association {Tape : 4; Side : A; Approx. Time Counter  
: 25.3}** He gave the committee a handout of the proposed  
amendment. It is a grant proposal to assist Eastern Montana  
projects, with a start-up amount of \$500,000/year.  
**EXHIBIT(jnh11a05)**

**Dallas Johannsen, Coordinator, Eastern Plains Resource  
Conservation & Development Association {Tape : 4; Side : B;  
Approx. Time Counter : 0}**

**Chairman Witt** questioned if this group approached the Governor  
with his 2005 program, to which **Mr. Johannsen** replied not yet,  
though, there has been some discussion on the subject.

**Sen. Keating** questioned DP 2309, Central MT RC&D, which is Fergus  
Co. area and is State funded.

**Chairman Witt** commented that he would move to put the Eastern  
Plains RC&D in the block of New Proposals.



**EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - CONSERVATION & RESOURCE  
DEVELOPMENT DIVISION**

*{Tape : 4; Side : B; Approx. Time Counter : 9.4 - 29.2}*

**Motion/Vote:** SEN. KEATING moved that DP 6, DP 18, DP 25, DP 31, DP 32, DP 34 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

**Motion/Vote:** REP. TROPILA moved that DP 2307 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

**Motion:** SEN. NELSON moved that DP 2308, DP 2309, DP 2310, DP 2311 BE ADOPTED.

**Discussion:** There was discussion of funding between Sen. Nelson and Mary Seccombe, culminating with a request from Sen. Nelson to segregate DP 2309. Chairman Witt questioned loss of Federal funding, which Ms. Seccombe answered. Dallas Johannsen gave more comment as did Ms. Seccombe. Chairman Witt then asked the RC&D's to give examples of projects done and completed, which Ray Trumpower and Ms. Seccombe answered.

Roger Lloyd discussed LFD Issues on C-149 of the LBA 2001 budget book. Sen. Keating commented and amended the motion to include item #1 under language.

**Motion/Vote:** SEN. KEATING moved that DP 2312 BE ADOPTED AS ONE-TIME-ONLY AND RESTRICTED TO THAT PARTICULAR PURPOSE. SECONDED by SEN. NELSON. Motion carried unanimously.

Roger Lloyd commented on information on the top of C-147 of the LBA 2001 budget book about the Treasure State Endowment. Anna Miller gave her comments also.

Chairman Witt questioned the division on the issue of CI-75, and was replied to by Ray Beck and Anna Miller.

The meeting closed with comments given by Ray Beck, Dallas Johannsen, and Mary Seccombe.

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**ADJOURNMENT**

Adjournment: 12:02 P.M.

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REP. JOHN WITT, Chairman

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SUMMER ALGER, Secretary

JW/SA

**EXHIBIT** (jnh11aad)